

March 24, 2014

RALPH HEXTER

Provost and Executive Vice Chancellor
Office of the Provost

RE: Graduate Tuition Allocation – Discussion Paper – Version 2

The second version of the Graduate Tuition Allocation paper was forwarded to all Davis Division of the Academic Senate standing committees and Faculty Executive Committees from the Schools and Colleges. Responses were received from Graduate Council, the Committees on Faculty Welfare and Planning and Budget, as well as the Faculty Executive Committees from the Colleges of Engineering and Letters and Science.

There was significant variation in committee responses. I have attached a response report to inform further consideration on the campus process for managing graduate tuition allocation.

In addition to the feedback and concerns included in the enclosed response report, I would like to share that many graduate program chairs and staff remain uncertain about the status of the changes that have been announced and implemented. Graduate programs and chairs understand that the new funding model will be effective as of next academic year and that programs can count on the proposed increase in international PhD students' support while making admission decisions for the current recruitment season, which is helpful. However, much uncertainty remains about the implementation of policies in the next year, as well as the following years, and this is an impediment to efficient use of available resources. It is important that decision makers (including graduate program chairs) have a clear understanding of the policies regarding non-resident tuition for students receiving different types of support and carry-forward funds of block grant allocations. Though the Office of the Chancellor and Provost has informed Deans and leadership of recent changes in graduate resource allocation, much work remains in informing graduate programs of the changes. Additionally, providing a long-range outlook would be very helpful.

The Davis Division of the Academic Senate acknowledges the significant improvements that have already been made in the resource allocation for graduate education but recommends that the graduate tuition allocation discussion paper be developed into a multi-year plan with clearly formulated goals, policies, and an implementation schedule.

Sincerely,



Bruno Nachtergaele, Chair
Davis Division of the Academic Senate
Professor: Mathematics

Enclosures:

Response Report: Graduate Tuition Allocation Whitepaper
January 14, 2014 memo to graduate program chairs referenced in the response report.



Davis Division Academic Senate

Request for Consultation Responses

Graduate Tuition Allocation - Discussion Paper - Version 2

February 20, 2014

The campus has issued a second version of the campus discussion paper concerning the funding of graduate education.

Council of School & College Faculty Chairs (ENGINEERING)

February 6, 2014 11:01 AM

Response continued on next page.

Date: January 30, 2014

From: College of Engineering Faculty Executive Committee

Re: Incentive-Based Budget Model Graduate Tuition Allocation

The comments below respond to the version 2.1 of the Graduate Tuition Working paper, which was released on January 30, 2014. This new version contains two modifications with respect to the version 2.0 released in December 2013. The modifications consist of (i) extending the current GSR buy-down program to cover 2nd and 3rd year Ph.D. students who have not yet advanced to candidacy (the buy down would cover 100% of the NRST and 25% of the base tuition), and (ii) a clarification of the revenue distribution for programs which have participated in the Masters Revenue Sharing Program (indicating that the 50-50 NRST division between graduate programs and the provost would be applicable only to enrollment increases after 2013-2014).

- a) Our College is supportive of reducing NRST costs for 2nd and 3rd year international students. It notes in particular that some small graduate groups had been unable to recruit international students in the past due high NRST costs.
- b) One long-term issue with the proposed graduate funding model is that it creates a hybrid funding system that actually superposes two funding systems: one for the base graduate budget as of 2013-2014, and a new one described in the proposed plan which covers funds generated by graduate enrollment increases in future years. Whereas the budget office staff has made it clear that this complex budgeting system will be invisible to graduate programs, it is clear that as the 2013-2014 base year recedes in the horizon, maintaining this dual system will become increasingly difficult. What would happen for example if a program feels that its enrollment growth is underestimated and asks for an audit of the data used to produce its funding allocation?
- c) Most graduate funding changes tend to create winners and losers. While it has been asserted by the budget office that the proposed plan creates mainly winners by bringing forward funds generated by future graduate enrollment increases to support 2nd and 3rd year PhD students now, it appears that the plan uses MS students to subsidize international PhD students. This is a concern for some COE Departments such as Civil Engineering, for which the bulk of MS students are out of state domestic students.
- d) The version 2.1 of the working paper gives programs a choice between participating in the extended buy-down program, or opting out, in which case their block grant will be augmented by funds equivalent to the NRST buy-down, to be used at the discretion of these programs. Is it wise to create another layer of complexity where the budget office and Graduate Division will need to keep track of which graduate programs and graduate groups are participating to the extended buy-down and which

ones are not? The GSR buy-down scheme has been popular in our College, and we would favor removing the opt-out option.

In addition to the above concerns, we would like too request clarifications of the following matters.

1. We are under the impression that the new funding model will be effective as of next academic year and that graduate programs can count on the proposed increase in international PhD students support while making admission decisions for the current recruitment season.
2. Can graduate programs expect that current rules for the expenditure of Block Grant funds will remain in place? Also, will there be changes in allowing Block Grant carry forwards?

Council of School & College Faculty Chairs (LS: SOC SCI)

February 7, 2014 10:53 AM

The L&S Executive Committee considered this briefly and had no formal comment. --Phil Shaver,
Chair

Faculty Welfare

February 24, 2014 11:38 AM

The document is rather cumbersome and unclear, specifically as related to the general use of returned funds. Clarification directly from Kelly Ratliffe, Jason Stewart, and Rachael Goodhue was required to fully interpret the document. The committee stresses the need for accountability for fund usage at the program and Dean level.

Graduate Council

February 21, 2014 1:47 PM

Response continued on next page.

February 21, 2014

RFC: Graduate Tuition Allocation Whitepaper Version 2.1

The Graduate Council accepted the recommendations of the Academic Planning and Development (APD) Committee at its February 21, 2014 meeting in consideration of the above-mentioned Academic Senate Request for Consultation (AS RFC).

The APD recommendation(s) strongly supported the proposed policies that would make international graduate student support requirements similar to that for out-of-state students.

There was discussion on needing more information about how the base funding would be defined, and what the actual value of the base funding would be. Concern was expressed that the methodology for determining the base funding could inhibit graduate program expansion. Transparency is essential.

The APD Committee noted a lack of discussion related to TA allocations, dependent on undergraduate course needs, to graduate studies emphases based on novel and innovative research areas. Potentially, expansion of graduate student enrollment could be in subject areas completely decoupled from those areas associated with TA allocation needs.

The Graduate Council submits the recommendations of the APD Committee as accepted by consensus at our meeting as the Council's assessment of the "Graduate Tuition Allocation Whitepaper Version 2" RFC.

Sincerely,



Rachael E. Goodhue, Chair
Graduate Council

/vm

C: Gina Anderson, Academic Senate Executive Director

Planning & Budget

February 24, 2014 10:07 AM

CPB discussed version 2 of the Graduate Tuition Allocation paper. CPB strongly endorses Graduate Council's position and the points and concerns stated in the January 14, 2014 memo to graduate program chairs. Some CPB members are very supportive of the new policy and agree that this is a great step forward in attracting the best graduate students from around California and the world. These CPB members would encourage the administration to next consider eliminating the first year financial barrier to hiring nonresident students altogether as a route to recruiting the best PhD students possible. The Academic Senate, including CPB and Graduate Council, has identified NRT as a big issue for many years and strongly favors the "NRT offset" resource in the revised whitepaper.

A small minority of CPB members still do not understand the logic of the proposed funding model. From their perspective it will split funding equally for graduate programs between the Office of Graduate Studies and the lead Dean, and these members would prefer to have the Deans control the funding for graduate education.

January 14, 2014

TO: GRADUATE PROGRAM CHAIRS

RE: Key Provisions of the Incentive-based Budget Model: Graduate Tuition Allocation (Working Paper, V2)

Dear colleagues,

The new graduate tuition allocation model will change the distribution of funds in a number of ways. The model will be implemented on July 1, 2014, so it will apply to the 2014-15 academic year. I encourage you and your colleagues to read the working paper (<http://budget.ucdavis.edu/budget-model/documents/BdgtModel-Working-Paper-Grad-Tuition-V02.pdf>). The provisions of the model are summarized in two tables on pages 3-4. Notably, the new model includes direct financial transfers to graduate programs that do not exist currently. Major points regarding the allocation of funds include the following:

1. **CONTINUING.** The 25% buy-down of tuition and NRST paid by external funding sources will be continued for *all* graduate students, both M.S. and Ph.D. This returns funds directly to principal investigators, not to graduate programs. PIs will continue to be responsible for paying the remaining 75% of NRST and tuition from external grants.
2. **CONTINUING.** Fee remission for TAs and other instructional employees (readers, tutors, etc.) will continue to be funded centrally.
3. **NEW, BASED ON TOTAL STUDENT NUMBERS.** Beginning in the 2014-15 academic year, graduate programs will receive funds equal to the NRST for *all* second-year international Ph.D. students and all third-year international Ph.D. students who have not advanced to candidacy. The funds will be distributed to the program as a lump sum and do not have to be used for paying NRST. The pool of funds to be distributed will be reduced by the amount of the NRST buy-down paid to PIs.
4. **NEW, BASED ON GROWTH IN STUDENT NUMBERS.** Graduate programs will receive 50% of all *incremental growth* in NRST revenues due to increased M.S. student numbers. The increase in numbers will be computed based on a rolling average base enrollment (the specific methodology is still being finalized). These funds will be allocated directly to programs as a lump sum.
5. **NEW, BASED ON GROWTH IN STUDENT NUMBERS.** Of the funds not distributed directly to programs, the deans are allocated 33% of the *incremental growth* in tuition and 0% of the *incremental growth* in NRST. The use of these funds is at the discretion of each dean. The Provost retains the remaining incremental growth in tuition and 100% of the *incremental growth* in Ph.D. NRST and 50% of the *incremental growth* in M.S. NRST. These funds will aid in paying for the NRST initiative in item 3 and increased internal fellowship funding.
6. **NEW.** Beginning July 1, 2014, central campus will no longer automatically provide fee remission for GSRs whose salary is paid with general funds. The pool of funds that has been used to support fee remission for GSRs will be allocated to

UC DAVIS: ACADEMIC SENATE
GRADUATE COUNCIL

the deans based on past use. Further allocation of these funds will be at the discretion of each dean.

One open issue regards planning a financial transition for programs currently participating in the Master's pilot revenue-sharing program. Under the proposed revenue allocations, the current revenue-sharing model in the pilot is financially unsustainable.

Implications of the new graduate tuition allocation model will vary by program, perhaps substantially. Please send your comments and suggestions to myself (goodhue@primal.ucdavis.edu) and Vivian Mendoza (vivmendoza@ucdavis.edu) no later than next **Friday, January 24**. The truncated review period is due to the desire to have the budget model finalized prior to graduate programs completing their admissions for Fall 2014.

Sincerely,



Rachael E. Goodhue, Chair
Graduate Council

/vm

c: Graduate Council
Bruno Nachtergaele, Chair of the Academic Senate
André Knoesen, Vice Chair of the Academic Senate
Gina Anderson, Executive Director of the Academic Senate
FEC Chairs, of the Academic Senate